

**Statement Before the Subcommittee on Asia, the Pacific and the Global  
Environment of the House Committee on Foreign Affairs**

**Thailand: The Path Toward Reconciliation**

**Richard P. Cronin  
Senior Associate and Director, Southeast Asia Program  
Stimson Center  
Washington, DC**

June 10, 2010  
Room 2172 Rayburn House Office Building

Mr. Chairman, Ranking Member Manzullo, and Members of the Subcommittee, thank you for the opportunity to testify this afternoon on the governmental crisis in Thailand that culminated in the bloody confrontation in the heart of Bangkok on May 19 and the path toward reconciliation. My remarks generally reflect the analytical lines of recent short articles I have written in collaboration with two of my colleagues at the Stimson Center, but of course the responsibility for this testimony is mine alone.\*

I think that the “path toward reconciliation” is a very apt focus of this hearing. The immediate crisis that began with peaceful protests by “red shirt” supporters of former Prime Minister Thaksin Shinawatra has abated. After a three-week standoff Prime Minister Abhisit gave the order on May 19 to the Thai army to storm the protesters’ barricades and clear as many as 20,000 “Red Shirt” demonstrators from central Bangkok. The violence resulting from clashes between some militants and the security forces, most of them on the last day, caused the deaths of at least 89 demonstrators, security personnel, and journalists, and injured more than 1,800.

The military operation was carried out under restrictions on the use of lethal force. Nonetheless, fighting at the barricades involved serious loss of life and injuries and major destruction of property in the main business and tourism centers. The demonstrations and the crackdown both further stained Thailand’s image abroad, which has already suffered from more than three years of political agitation begun some three years previously by “Yellow Shirts” from three opposition parties who took over Thailand’s main international and domestic airports for several weeks at the end of 2008.

The crisis has abated for now. The red-shirted anti-government protesters who paralyzed the central business district have returned to their homes, mainly in the rural North of the country, in many cases with the assistance of the authorities. A number of protest leaders voluntarily surrendered as soon as the Army moved, or were subsequently arrested. Some of them tried in vain to discourage militants and/or criminal elements to refrain from torching public buildings as they retreated.

There appears to have been no significant retribution against the ordinary protesters, the vast majority of whom had been peaceful throughout the confrontation. Many of them had brought their children and other family members without any expectation of violence.

Journalists and scholars will long sift through the evidence to better understand the deeper causes of the confrontation between the government and the red shirts. There are already some obvious clues. I would argue that the most significant underlying cause has been inability of the political system to adjust to the intersection of rapid but highly unequal economic modernization, which itself has been driven by globalization.

---

\* “Thailand’s Crisis: A Longer View,” by Richard Cronin and Julie Fischer, May 26, 2010 <http://www.stimson.org/pub.cfm?ID=965> and “Thailand at a Crossroads,” by Richard Cronin and Timothy Hamlin, April 22, 2010 <http://www.stimson.org/pub.cfm?id=%20952>

It seems less than coincidental that many of the 36 buildings torched by Red Shirt militants fleeing the army included icons of globalization and the growing income gap between the immediate beneficiaries of rapid economic growth and those who view themselves as left behind. The latter include the urban poor and farmers from the hard-scrabble rural northeast. The targets included the Stock Exchange, banks, and Central World Plaza a huge shopping mall devoted largely to global luxury brands that was formerly the World Trade Center.

On the one hand, Thailand has benefited greatly from globalization due to its key geographic location, large scale investment in manufacturing by Japanese, American, and European countries, and a relatively well educated population. National income tripled in the past two decades and the number of Thais living below the national poverty line fell from 36 percent to less than 10 percent. On the other hand, Thailand was the cause and “poster child” of the 1997 Asian financial crisis, that began with the collapse of the Thai baht as a result of growing trade imbalances. The fall in national income took years to make up. Thais have been in the forefront of criticism of the truly mistaken conditionality of budget tightening that the IMF imposed as a price of desperately needed loans.

### **Structural Aspects**

Though the whirlwind of Thai politics involves a hugely complex mix of personalities, individuals, interest and social groups and institutions, I believe that the key to the current crisis lies in new economic forces and a flawed constitutional response to earlier problems of corrupt and politically unstable governments. Moreover, it is these structural factors that are both the underlying cause of the political crisis and the main obstacles that the Abhisit government will have to overcome to put the country back on track.

The process of political adjustment to rapid economic change inadvertently was made more difficult by the “People’s Constitution” of October 1997, the first of Thailand’s numerous constitutions since 1932 to be written by a constitutional assembly of elected and appointed members. Key provisions of the constitution were significantly influenced by academics and other advocates of clean government. In reaction to repeated coups and unstable cabinets, their aim was to reduce corruption and a lack of accountability that had kept Thai politics in constant turmoil and also empower the traditionally marginalized populations outside of Bangkok.

Unfortunately, several of the provisions backfired. As intended the document led to the replacement of revolving cabinets with a strong executive, but the consequence was a classic “be careful what you wish for” situation. Thaksin Shinawatra, a telecommunications tycoon with strong authoritarian tendencies, used his enormous personal wealth to mobilize the support of the previously marginalized hard-scrabble rural northern districts that had substantially been bypassed by Thailand’s remarkable GDP growth over the past two decades. His *Thai Rak Thai* party – which translates roughly as “Thais Love Thais” – swept the northern districts in the 2001 national elections on the basis of a strongly populist platform. Thaksin broadened his popular

appeal by tying the ruling Democrat Party-led coalition to the widely detested conditions that had been imposed on the country by the IMF following the financial crisis.

Once Thaksin gained power, he governed the country more as a CEO than a prime minister. He used government largesse to consolidate his base in the rural north with loans to farmers who had become deeply indebted during the Asian financial crisis and access to medical care at a nominal cost per visit to a hospital or clinic. These measures further infuriated the – for want of a better word – middle class voters in Bangkok and other urban centers, who viewed them as fiscally irresponsible giveaways and/or attempts at vote-buying.

Perhaps even more importantly, Thaksin frightened more traditional and liberal Thais by an anti-narcotics campaign that was widely reported to have involved 2,000 or more “extra-judicial” killings of presumed narcotics traffickers. More detailed information on a three-month long “War on Drugs” campaign in early 2003 can be found in the annual State Department Country Reports on Human Rights Practices of February 25, 2004 <http://www.state.gov/g/drl/rls/hrrpt/2003/27790.htm> The same report also noted that a Ministry of the Interior report revealed that some 1,197 persons died in police custody during the first six months of 2003, allegedly of natural causes, while a National Human Rights Commission claimed that most of them had been beaten to death.

While many Thais approved of the harsh campaign against drug traffickers, the early morning sight of bodies lying in pools of blood on the streets of Bangkok and other cities, towns and villages was certainly unsettling for ordinary people. Thaksin was also accused of intensifying the anti-government secessionist movement among the ethnic Malay Muslim population of extreme Southern Thailand by harsh tactics. On the positive side, he earned praise for some economic policy changes and the expansion of infrastructure and for his highly visible role after the December 2004 tsunami disaster.

Thaksin further consolidated his power by an overwhelming victory 2005 elections that gave his party 376 of 500 seats, while the competing power, the Democrat Party of the current Prime Minister Abhisit, gained only 96 seats. He seemed invincible until he overstepped the level of popular tolerance by pushing legislation through parliament that allowed him to side-step the tax on the sale of his family’s Shin Corporation to Singapore’s sovereign fund, Temasak Holdings, for about \$1.8 billion. The legislation not only allowed Thaksin to avoid a large tax bill but also gave a foreign company the previously illegal majority ownership of a Thai telecom company. The Shin affair gave Thaksin’s opponents a clear target for rallying popular opinion, especially in Bangkok.

The financial issues were actually much more complex. Many other issues of corruption and malfeasance stimulated rising opposition from the traditional parties and civil society, but for the purposes of a broad understanding what happened subsequently it is sufficient to say that Thaksin’s opponents seized on what they viewed as a corrupt transaction to try to bring him down through the court system, which had also been strengthened by the 1997 constitutional revisions. Thaksin countered by calling for a

snap election in early 2006, less than a year after his party had swept the polls and gained an overwhelming parliamentary majority.

Much has been made of the fact that the Army overthrew the democratically elected Thaksin government, but not nearly enough attention has been given to the fact that constitutional changes enacted in late 1997 practically made it impossible for Thaksin to be dislodged by democratic means. The problem for the anti-Thaksin opposition in early 2006 was that under the 1997 Constitution members of parliament cannot switch parties or form coalitions within 90 days of an election. Thus, a collection of parties carrying out a highly publicized anti-Thaksin movement could not join to form a new party before the election or attract any dissident TRT members to their cause.

Thaksin won the election handily because of an opposition boycott but the victory was hollow. With public encouragement from the King the Constitutional Court invalidated the election on grounds of technical violations by both the TRT and Democrat parties and set new elections for October 15, 2006. The military overthrew the Thaksin government on September 19, before the elections could be held.

### **Prospects for Reconciliation**

The recent and relatively quiet return of protesters to their homes, mainly in Central, North and Northeast Thailand and the reestablishment of a superficial normalcy in Bangkok constitutes, to use the words of Winston Churchill in World War II, the “end of the beginning” and not “the beginning of the end.” The memories of the confrontation will linger long after the shopping malls and office buildings are rebuilt and foreign investors and tourists return to enjoy what Thailand has to offer.

Still, the Kingdom of Thailand and its people and institutions are nothing if not resilient. There is good reason to hope that in the longer run better governance and more a equitable development path will result.

Any effort to understand the causes of the upheaval or speculate on what it may portend for the future of Thailand and the Southeast Asian region must begin with the acknowledgement that few countries are more challenging for outsiders to understand. Much of what is written about Thai politics and society, even by experts, is at best a kind of cartoon constructed by reference to inappropriate metaphors and without enough nuance to be truly useful.

We can start with the fact that Thailand is a kingdom and a constitutional monarchy, almost without parallel in the West. The closest approximation might be the United Kingdom, but the monarchy there is far less imbedded in the social fabric.

Thailand also is one of the few Asian countries that escaped colonialism if we exclude the period of Japanese occupation in World War II. It compromised its autonomy in many ways and had the good fortune if we can call it that, that it served the interests of

the British in Burma and India and the French in Indochina to allow the country then known as Siam to serve as a buffer state.

Certainly Thailand has deep social divisions and very obvious economic divisions, but they cannot really be reduced to urban-rural, rich and poor or Thai versus Sino-Thai and ethnic minorities. The monarchy is very influential but the concept of pro-monarchist versus some other sociopolitical force doesn't hold water since the King and Queen's pictures will be hung in an honored place even in the homes of the reddest of red-shirts.

The Army plays a very important role, not only as the most cohesive institution but also by being connected socially to other important power centers. The day when prime ministers were mainly former generals is gone. As in a number of other modernizing societies, the military jealously guards its institutional integrity and national borders. But the Thai military no longer seeks to govern, if it ever did, if for no other reason that its strong hierarchical culture is inadequate to running a complex modernized society. The military-led government following the 2006 coup badly bungled financial and economic policy, and the leaders rather quickly turned to a civilian caretaker government.

In the recent crisis, the military generally followed strict rules of engagement regarding the use of lethal force and took orders from the prime minister. Thailand has had much more bloody incidents of military action against civilian protesters. One consequence is that fewer red shirts or others are likely to feel a strong need for revenge. Even the most radical demonstration leaders surrendered peacefully and tried without success to persuade what were frankly more criminally minded elements to desist from their arson.

### **First Steps**

Already Prime Minister Abhisit Vejjajiva and five cabinet members of his Democrat Party, the leader of the current coalition government, have easily survived an attempted censure and vote of no-confidence in the lower house of parliament. Abhisit's patient handling of the crisis and even his eventual decision to order the army to use the appropriate amount of force necessary to end the confrontation have earned him a 71.7 percent approval rating in a poll taken in 30 provinces following the parliamentary vote. The Minister of Finance – a critical player in overcoming the damage to Thailand's economy -- received a 70 percent approval rating and the other three Democrat cabinet ministers all received over 50 percent approval. Assuming the poll is sufficiently broad-based to be representative, the result means that the Abhisit and his government enjoy significant support outside Bangkok.

It would appear to speak well for future reconciliation that Abhisit allowed 18 hours to the opposition and 13 hours to the government for the acrimonious debate, and that the number of votes against the government was less than the total number of opposition members. Abhisit has promised an objective investigation into claims that the army used excessive force in the confrontation that led to 89 deaths and more than 1,800 wounded over a period of 10 weeks, with most of the casualties among the demonstrators and the army in the confrontations that occurred on May 19.

The Prime Minister has also promised to hold new elections, but probably not until next year. No doubt the Prime Minister will want to wait for calm as an election marred by further violence could be disastrous, but he and the coalition party leaders also will want time for new initiatives to be put in place in the most disaffected areas, mainly in the rural north.

The prospects for lasting reconciliation depend on how Thailand's political leaders and government bureaucrats deal with both the precipitating and underlying causes of the upheaval, but also on whether the larger Thai body politic can adjust to circumstances beyond the capacity of any one or any institution to alter or prevent.

One thing that likely will not achieve reconciliation is demonizing Thaksin, who still retains a large following. Instead, the Abhisit government or a successor cabinet will have to gain support and reduce Thaksin's attraction by making the necessary investments in education, rural infrastructure, and other ways to spread the benefits of modernization more widely. The government will also have to take measures to promote increases in agricultural productivity. This will be complicated by developments such as the a bilateral trade liberalization with China under the so-called China-ASEAN Free Trade Agreement, which has allowed cheap Chinese fruits and vegetable to flood the Thai market and undercut rural farmers.

More fundamentally, any Thai government will have to address the loss of manufacturing export competitiveness to China, Vietnam and other lower wage Asian countries by adopting policies to attract more foreign investment and even more critically, to adopt a range of policies to move the Thai economy up the value-added economic food chain. This has been greatly complicated by the global financial and economic crisis and the accompanying decrease in the viability of an export-oriented economy. No government can command both urban and rural support without achieving this, but can gain support from the fact that rebalancing the economy towards domestic led growth can improve incomes across the board.

### **U.S. Interests and Possible Responses**

Thailand's ability to achieve political reconciliation and positive social and economic progress that reinforces national unity is very important to U.S. interests and supports a number of American policy objectives in Asia. U.S. relations with Thailand have been warm and long standing. We celebrated the 175<sup>th</sup> anniversary of U.S.-Thai relations in 2008.

Thailand has the second largest economy in Southeast Asia after Indonesia, which is several times larger in population and an important U.S. trade partner. Bangkok is a major financial and transportation hub and host to the regional operations of scores of major U.S. multinational companies.

Thailand is a middle power with whom the United States has robust relations and a broad and agenda. A treaty ally, Thailand provides important cooperation against terrorism and hosts the annual Cobra Gold multinational combined joint military exercises, the most recent of which was held in February 2010 with the participation of military forces from 20 nations in addition to those of the United States and Thailand.

With Bangkok as a regional hub for U.S. economic assistance programs, the country also plays a key role in the Obama Administration's Lower Mekong Initiative (LMI) to support climate change adaptation, health, education, and protecting the fisheries and other resources of the Lower Mekong Basin and the Mekong Delta from the environmentally unsustainable construction of mainstream hydropower dams and other infrastructure development.

More fundamentally, Thailand has acquired renewed geopolitical importance as the United States seeks to reengage with Southeast Asia and ASEAN, including the Administration's tentative efforts to test the waters for a more flexible approach to Burma. Whether it wants to be or not, and flawed as its current political situation may be, Thailand still represents one of the best models for political participation and political freedom of any country in Southeast Asia.

At the moment the main thing the United States can do to promote reconciliation is to maintain constructive relations with the Abhisit government and support appropriate efforts to rebalance the economy in ways that promote more equitable development. In this context, probably the single most important thing the Administration and Congress can do is to reject overly simplified explanations for the crisis and recognize that given Thailand's constitutional complications, moral support for the Abhisit government does not represent a compromise with U.S. democratic values and ideals. Thailand has had a tumultuous political history of coups and constitutional changes, but the impasses and confrontations of the past few years are part of a painful adjustment of the Thai body politic to a global financial and economic order that the United States has played a major role in shaping.